The value of a brand promise

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Beyond the guest experience

It’s clear that hotel loyalty is garnered through a strong, positive, impactful experience—but what helps differentiate that experience?

Deloitte has explored the characteristics of hotel customer loyalty and found that, underlying the guest experience, a hotel’s brand promise can have a strong impact on business results. Knowing what your brand stands for—and delivering on that promise—can serve as a key to long-term success.

Recent findings show that a clearly defined and credible brand promise can help generate rebooking, ancillary spending, and brand advocacy.

What is the impact of a differentiated brand promise?

Loyalty and commitment are strongest when a brand offers a differentiated brand promise and consistently delivers on that promise by providing an outstanding experience. Building and executing on a brand promise through reputation and prestige can build a hotel guest’s commitment and earn strong customer loyalty.

Research findings from J.D. Power’s North American Hotel Guest Satisfaction Index Study show that, setting experience aside, a 1% increase in a hotel’s brand promise (as defined by the strength of its reputation) can improve a guest’s intent to recommend the hotel by over 3% and intent to rebook by over 4.5%.

Yet that same study shows something perhaps even more impressive: A guest appears to be more forgiving of a less-than-satisfying experience at a hotel with a strong brand promise than one with a weaker brand promise.

Guests who experience a problem at a hotel are less likely to return to that hotel than those who do not experience a problem. This is both unsurprising and true regardless of the hotel’s brand promise. However, guests who experienced a problem at a “high prestige” hotel are more than twice as likely to return as guests who experienced a problem at a “low prestige” hotel (20% vs. 9%). In fact, “high prestige” hotel guests who experienced a problem are nearly as likely to return as “low prestige” hotel guests who experienced no problem at all (20% vs. 23%). Therein lies the real power of a strong brand promise; it makes guests more forgiving of a problem when it occurs.

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With that impact on customer behavior, the financial implications are clear. Similar findings are also reported by other leading researchers.²

What comprises a differentiated brand promise?
Knowing what your brand stands for and what it means to both your customers and employees can be a key differentiator between hoteliers that thrive versus those that simply survive. A brand promise is guided by a vision for the lasting impact it hopes to have on guests. It is executed through developing property leaders and staff who live and embody brand values and standards and a brand culture that permeates how employees engage with each other and guests on a daily basis.

It is through both the property tangibles and guest treatment that the experience is derived, but that experience—and everything that drives it—should be designed around and informed by the brand promise.

Leading hoteliers work hard, not only to define their promise, but also to engage their staff on how to deliver on that promise at each property, and in every element of a guest’s experience.

The best brands are able to deliver an employment experience to employees in the same way they deliver a brand promise to guests. This connects their employees to their brand promise in a way that truly resonates and is relevant to them, so that these employees can in turn deliver a differentiated and emotionally satisfying experience to guests.

So what’s the bottom line?
Hotels with year-over-year increases in guest satisfaction earn corresponding gains in both loyalty and market share. However, hotels in all segments can improve their financial outcomes by ensuring the brand promise is strong and central to their brand culture, and in making delivery on that promise their main focus. The essence of what drives customer experience—people, process, price, and product—should be shaped by an unshakable fidelity to the brand’s promise.

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